

State of Alaska FY2005 Governor's Operating Budget

Department of Law Collections and Support Component Budget Summary

Contents

<i>Component: Collections and Support</i>	3
Component Financial Summary.....	6
Summary of Component Budget Changes.....	7
Personal Services Information.....	8

Component: Collections and Support

Contribution to Department's Mission

The Collections and Support section provides advice and representation to the Child Support Enforcement Division of the Department of Revenue to assist it in the performance of its functions. The section is also responsible for collecting judgments owed to the State of Alaska and on behalf of victims of crimes and delinquent acts.

Core Services

The Collections and Support section consists of two units: the collections unit and the child support unit. The collections unit collects unsecured debts owed to the state. The majority of these debts are criminal judgments (fines, judgments for the cost of appointed counsel, judgments for the cost of incarceration on DWI charges, and court and collection costs in minor offense cases). The collections unit also collects civil judgments, including attorney fee awards, on behalf of the State and civil penalties issued by agencies such as OSHA and APOC. Effective January 1, 2002, the collections unit expanded its work to include the collection of restitution on behalf of victims in criminal and juvenile delinquency proceedings.

The child support unit represents the Child Support Enforcement Division (CSED) in court, including paternity establishment and disestablishment proceedings, establishment and modification of child support orders, employer non-compliance actions, criminal non-support prosecutions, licensing appeals, and miscellaneous other activities related to enforcement of child support orders. In addition, the unit provides legal support in matters relating to administrative child support enforcement actions, drafts legislation and regulations, and provides general legal advice to CSED.

FY2005 Resources Allocated to Achieve Results

FY2005 Component Budget: \$1,975,300

Personnel:

Full time	21
Part time	0
Total	21

Key Component Challenges

The primary challenge for the child support unit will be to accommodate a growing number of requests from the Child Support Enforcement Division for assistance in more complex enforcement actions and a rapidly growing caseload of support modification requests. With CSED's reorganization and rethinking of its mission and use of resources, the agency has suggested an intent to place more emphasis on enforcement action, including the use of civil contempt, attachment of assets, fraudulent transfer actions, seek work orders, and criminal non-support. At the same time, with recent changes to federal requirements for modifications of child support orders, we anticipate increases in the number of modification files referred to this section for court action. Absorbing this additional caseload while leaving one of the section's eight attorney positions vacant as the result of CSED budget constraints will be a significant challenge.

In *John v. Baker*, the section will be defending on appeal to the Alaska Supreme Court the State's position that the Northway Tribal Court does not have jurisdiction to issue child support orders. This case will have significant implications for the Child Support Enforcement Division which is tasked with enforcement of support orders pursuant to detailed federal requirements. More generally, because of the Indian country and tribal sovereignty issues that have been raised in this case, the outcome of this appeal could also be felt in areas other than child support.

For the collections unit, the primary challenge will be to expand the restitution collection work. Since January 2002 when the unit began collecting restitution, the unit has developed and, over time, improved a streamlined system for processing restitution judgments and collecting and disbursing restitution on behalf of victims. To date, because of

limited personnel and the time spent developing the program and training staff, the unit's work has been limited primarily to processing judgments, handling voluntary payments, and attaching permanent fund dividends. The unit now needs to move forward with more aggressive collection action, particularly in cases where the defendant's failure to pay is particularly egregious. Such actions would include seizing bank accounts, recording judgments, and garnishing wages. Among other things, the unit hopes to enter into an agreement with Department of Labor and Workforce Development to match restitution defendants against labor records in order to identify employers and facilitate wage garnishment for restitution. Expanding the restitution collection work, however, will require additional personnel and more efficient use of existing resources.

Significant Changes in Results to be Delivered in FY2005

- Decreasing the time for processing child support modification files. The goal for FY 2005 will be to assure that action is taken in 90% of child support modification files within 30 days of receipt of the file from the Child Support Enforcement Division.
- Improving agency decision-making with respect to the establishment and modification of administrative support orders by (1) providing additional training sessions to CSED personnel; (2) participating in quarterly meetings with CSED's formal hearing team and Revenue's formal hearing examiners; (3) reviewing and, to the extent necessary, assisting CSED to revise regulations, policies and procedures for establishing and modifying support orders; (4) providing prompt feedback to CSED caseworkers when errors occur in support calculations; and (5) providing monthly reports to CSED of Alaska Supreme Court decisions on child support issues. These improvements should ultimately reduce the number of administrative appeals of CSED orders. This, in turn, will free up personnel both at CSED and within this section for handling more complex enforcement actions.
- Increasing the use of civil and criminal enforcement actions in child support cases. The goal for FY 2005 is to increase the number of criminal non-support prosecutions by 10% and the number of cases accepted for civil enforcement action by 5%.

Major Component Accomplishments in 2003

- The collections unit of the Collections & Support Section collected over \$3.8 million in FY 2003. These collections included criminal fines, cost of appointed counsel, cost of imprisonment, civil judgments owed to the State of Alaska, and victim restitution. Of this amount, the unit collected and disbursed to victims over \$750,000 in restitution.
- The section resolved and closed more than 1,600 child support files in FY 2003. These files included paternity establishment and disestablishment cases, appeals, bankruptcies, motions for the establishment and modification of child support orders, license suspensions, employer noncompliance claims, and miscellaneous enforcement actions and claims against the State of Alaska. The section completed approximately 600 modifications of Alaska child support orders through court proceedings, thus assuring that these support orders comply with the child support guidelines set forth in Alaska Civil Rule 90.3.
- The section was instrumental in establishing paternity through court proceedings for over 125 children in Alaska and elsewhere. The section assisted in the exclusion of putative fathers through genetic testing and dismissal of court proceedings in an additional 35 cases. The section also assisted CSED with administrative paternity proceedings, primarily by filing judicial proceedings for civil contempt to obtain compliance with administrative genetic testing orders. During FY 2002, the section obtained compliance with administrative genetic testing orders in approximately 100 cases.
- The section, with assistance from Native law experts within the Department, prepared and filed extensive briefing on the question of tribal court jurisdiction in the *John v. Baker* case. Following oral argument, the superior court granted the state's motion for clarification, finding that the Northway Tribal Court did not have subject matter jurisdiction to issue child support orders.

Statutory and Regulatory Authority

AS 25.27.050, AS 44.23.020

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Collections and Support Component Financial Summary

All dollars shown in thousands

	FY2003 Actuals	FY2004 Authorized	FY2005 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	1,340.9	1,433.6	1,496.1
72000 Travel	5.8	23.6	23.6
73000 Contractual	348.8	413.3	413.3
74000 Supplies	24.3	35.8	35.8
75000 Equipment	16.9	6.5	6.5
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	1,736.7	1,912.8	1,975.3
Funding Sources:			
1004 General Fund Receipts	59.8	231.2	214.1
1005 General Fund/Program Receipts	330.7	290.8	305.6
1007 Inter-Agency Receipts	1,346.2	1,390.8	1,455.6
Funding Totals	1,736.7	1,912.8	1,975.3

Estimated Revenue Collections

Description	Master Revenue Account	FY2003 Actuals	FY2004 Authorized	FY2005 Governor
<u>Unrestricted Revenues</u>				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
<u>Restricted Revenues</u>				
Interagency Receipts	51015	1,346.2	1,390.8	1,455.6
General Fund Program Receipts	51060	330.7	290.8	305.6
Restricted Total		1,676.9	1,681.6	1,761.2
Total Estimated Revenues		1,676.9	1,681.6	1,761.2

**Summary of Component Budget Changes
From FY2004 Authorized to FY2005 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2004 Authorized	522.0	0.0	1,390.8	1,912.8
Adjustments which will continue current level of service:				
-To Commercial Section to adjust vacancy ADN# 0340124	-22.5	0.0	0.0	-22.5
-Changes to Retirement and Other Personal Services Rates	20.2	0.0	64.8	85.0
FY2005 Governor	519.7	0.0	1,455.6	1,975.3

**Collections and Support
Personal Services Information**

Authorized Positions			Personal Services Costs	
	<u>FY2004</u> <u>Authorized</u>	<u>FY2005</u> <u>Governor</u>		
Full-time	21	21	Annual Salaries	1,094,023
Part-time	0	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	456,751
			<i>Less 3.53% Vacancy Factor</i>	<i>(54,674)</i>
			Lump Sum Premium Pay	0
Totals	21	21	Total Personal Services	1,496,100

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Clerk II	1	0	0	0	1
Administrative Clerk III	4	0	0	0	4
Assoc Attorney I	2	0	0	0	2
Assoc Attorney II	1	0	0	0	1
Attorney III	2	0	0	0	2
Attorney IV	3	1	0	0	4
Attorney VI	1	0	0	0	1
Law Office Assistant I	2	0	0	0	2
Law Office Assistant II	1	0	0	0	1
Paralegal II	2	1	0	0	3
Totals	19	2	0	0	21